the next year for want of provision, Government have now provided for the ensuing year a lump provision of Rs. 20,000 towards the execution of works either not attended to or only partly done in the current year, and it is proposed to be stipulated that the funds thus earmarked could not be utilised for any other purpose. With the staff of Inspectors and Irrigation Overseers now appointed to help the Panchayats according to the orders on the Report of the Special Finance Committee and with the provision thus made to carry on the budgetted programme besides the works which could not be attended to in the previous year, may we not hope for the hearty co-operation of these local bodies, which should be the units of our local administration, in carrying out the regular programme in the year itself?

The decrease of Rs. 1,79,600 under **'Excise'** as compared with the revised estimate of Rs. 2,93,500 for the current year is only apparent being due to the fact that, according to the suggestions of the Special Finance Committee, the allotment for the purchase of salt which was hitherto being debited to this head is provided under 'Advances' as explained by me in the Memorandum.

Forests and Tramway.—The new system of accounts adopted for the adjustment of the Tramway freight shows that the Tramway is not, after all, working at a loss, and the increased extraction and transport of timber budgetted for under 'Forests' for which a large provision of Rs. 3,97,300 is made chiefly as compared with the revised estimate of Rs. 3,67,700, is expected to give ample work to the Tramway for the year.

Registration.— Representations have been made to the Government for the opening of a new Registry Office at Kallettumkara for the convenience of the people and owing to heavy pressure of work in the adjoining offices of Nellayi, Irinjalakkuda, etc., and a tentative provision is made therefor as the Government have not come to any decision on the point.

General Administration.—The only new feature in the head is the provision for carrying on Census Operations (Rs. 17,075). To conduct the Census an officer has already been appointed with a small staff to assist him in his preliminary work. This staff has to be considerably strengthened and enlarged during the last 4 or 5 months of the year when the Census work proper begins and hence the lump provision made therefor.

Accounts and Finance.—The provisions which may perhaps require a word of explanation are those for the Special Officer for the compilation of the Account Manuals and of the

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two auditors for 4 months to conduct a test-audit of the Grant-in-aid accounts. When the work of preparation of the Account Rules was begun last year, it was thought that it could be finished within six months. The volume of the work that had to be turned out has, however, rendered it necessary to extend the term of the officer, and hence a provision of Rs. 1,250 has been made for about four months of the coming year, when it is expected that the work would be finished.

A sum of over four lakhs of rupees is being spent every year as grants to aided educational institutions, and this annual expenditure has been rapidly growing in recent years mainly on account of the large increase in the number of private schools and the liberal nature of our grant-in-aid rules. The existing system of grants-in-aid was of a nature that admitted of no substantial check in the Account Office except the budget check and the mere verification of the arithmetical calculations. This was true not only here but in British India as well, and one of the resolutions passed at the last session of the Audit Officers' Conference was on the question of grants in aid which ran thus :—'Where expenditure from a grant-in-aid fell within the audit of the Accountant-Generals, it was their duty to be assured either by a complete or test-audit that the conditions of the grant were fulfilled' The duty of seeing whether the conditions of the grant are fulfilled rests primarily with the Head of the Department by whom the grant-in-aid institution is controlled, but the above resolution makes it a duty of the Account Department also to have a test audit or super-check of these charges by a reference to the original departmental records. The grant-in-aid bills alone exceed 12,000 a year, and it will not be possible for the normal Local Audit staff to conduct a complete audit of these without permanent additions. A staff of two auditors is proposed temporarily to try the experiment for a period of four months and hence the provision of Rs. 320. The question of bringing the accounts under permanent periodical audit is proposed to be decided on the results disclosed by the test-audit.

Police.—When introducing the budget estimate last year, I have had occasion to observe on the lump provision made for the appointment of a special staff for the control of the bus traffic and the issue of brake certificates. The necessary staff has accordingly been appointed and provision is made therefor in the coming year as well. It is also proposed to open a Police Station at the Hill Palace and the executive force is, therefore, proposed to be strengthened by an Inspector and two Head Constables for the purpose.

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